

Donor Country Support for Iraq Reconstruction

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At the International Donors' Conference for Iraq, held October 2003 in Madrid, participants, including 73 countries and 20 international organizations, pledged a total of \$32 billion in aid for the reconstruction of Iraq. Most of this \$32 billion is made up of the U.S. \$18.4 billion pledge, which now totals \$20.9 billion in the Iraq Relief and Reconstruction Fund (IRFF). At the time of the Section 2207 Report submitted to the U.S. Congress in July 2005, the U.S. had obligated \$16.5 billion (79%) and disbursed over \$9.4 billion (45%).¹

Other sources pledged an additional \$13.58 billion. The World Bank and the International Monetary Fund (IMF) pledged \$5.55 billion in lending programs.² Of this, the IMF has so far approved \$436 million in financial assistance in the form of Emergency Post-Conflict Assistance (EPCA).³ On July 18, 2005, the World Bank and the Iraqi Transitional Government (ITG) finalized discussion on \$500 million of the World Bank's concessional lending.⁴ 37 bilateral donors pledged the remaining \$8.03 billion. The biggest donors to date are Japan, the United Kingdom, the European Commission, and Canada. Of the pledged \$8.03 billion, \$2.5 billion has been disbursed.⁵

Over \$1 billion of the \$2.5 billion in disbursements have been in the form of deposits to the International Reconstruction Fund Facility for Iraq (IRFFI), which is comprised of World Bank and U.N. trust funds.⁶ At the Dead Sea IRFFI Conference on July 18 and 19, 2005, donors pledged approximately \$290-\$300 million in new money, bringing the IRFFI to approximately

¹ Throughout this document, "obligated" is used to mean that funds have been committed to particular projects, and "disbursed" means that funds have left national treasuries.

² "Pledged" means that intent is expressed to give a certain amount of money. It does not mean that the money has actually been given. To see an exact breakdown of the pledges by donor, please see the table at the following link: [http://lnweb18.worldbank.org/mna/mena.nsf/Attachments/Madird-Table2/\\$File/iraqsummarytable-2.pdf](http://lnweb18.worldbank.org/mna/mena.nsf/Attachments/Madird-Table2/$File/iraqsummarytable-2.pdf)

³ The Commerce Department is in the process of determining whether the IMF EPCA's, which totals \$436 million, represents opportunities for U.S. businesses.

⁴ In other words, though the IMF and the World Bank pledged \$5.55 billion in lending programs, to date, both institutions have only approved \$936 million of this amount.

⁵ This does not include other assistance donors have provided to Iraq, such as humanitarian assistance, military assistance, or other aid to Iraq and the Coalition.

⁶ The Commerce Department is in the process of determining the status of the remaining \$1.5 billion.

\$1.23 billion.⁷ Of this total, the World Bank Iraq Trust Fund (ITF) will receive about \$53 million.

The World Bank and U.N. trust funds are now implementing IRFFI projects on the ground. Tender opportunities remain from the \$1.23 billion deposited in the IRFFI, as most of the funds are obligated to specific projects yet to be contracted.

The ITG, through its Iraqi Strategic Review Board (ISRB) and the Iraqi Ministry of Planning, plays a central role in coordinating donor assistance.

Frequently Asked Questions (FAQs)

1. How do companies find information on contracts funded by the World Bank?

The World Bank has allocated up to \$500 million for loans to the Iraqi Government. It is important to note that this \$500 million is completely separate from the \$1.23 billion deposited in the IRFFI, which consists of grants and is jointly administered by the World Bank and U.N.

All World Bank-financed projects, as well as ITF-financed grants administered by the World Bank, are prepared and implemented by Iraqi institutions, usually line ministries. Projects must be approved by the ISRB, which determines whether project proposals are consistent with Iraq's priority needs.

The World Bank, in collaboration with Iraqi teams, appraises the project and negotiates the conditions of the loan. World Bank loans are made available to Iraqi implementing agencies once the Board of the World Bank approves the project. The approved projects will then appear as tenders on the World Bank's two Internet portals:

- A. The World Bank's website under the Projects and Operations page, which can be found at <http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/0,,menuPK:115635~pagePK:64020917~piPK:64021009~theSitePK:40941,00.html>. At that site, "Iraq" can be entered into the search field, which will generate a list of past and current tenders.
- B. The Development Gateway Market is a service provided by the non-profit Development Gateway Foundation (<http://home.developmentgateway.org/>) that works closely with the World Bank. To access the relevant tenders, please visit <http://www.dgmarket.com> and do an advanced search with "World Bank" as the funding agency, and "Iraq" as the country or region.

2. How do companies find information on projects funded with the \$8.03 billion pledged by 37 bilateral donors?

⁷ For an update on Donors' pledges of new money at the Dead Sea IRFFI Conference: <http://siteresources.worldbank.org/IRFFI/64168382-1092418978875/20597412/PledgesExpanded%20Donor%20Meeting.pdf>

To date, approximately \$2.5 billion of the \$8.03 billion is disbursed from donors. \$1 billion of the \$2.5 billion is deposited in the IRFFI fund jointly-managed by the World Bank and U.N. and is committed to projects already under implementation on the ground.⁸ Donors recently committed an additional \$290 - \$300 million to the IRFFI, bringing the total to \$1.23 billion. Tender opportunities remain for the \$1.23 billion deposited in the IRFFI, as most of the funds are obligated to specific projects not yet contracted.

3. How do companies find information on IRFFI-funded projects?

Tenders for projects funded by the IRFFI are posted to the IRFFI website at: <http://www.irffi.org/WBSITE/EXTERNAL/IRFFI/0,,contentMDK:20411123~menuPK:878529~pagePK:64168627~piPK:64167475~theSitePK:491458,00.html>. As projects managed by the World Bank and the U.N. are formulated under unique and separate mandates, please note that there are two separate lists for World Bank tenders and U.N. tenders, with their own unique bidding rules and procedures.⁹

For more information on the IRFFI, please go to its homepage at www.irffi.org.

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⁸ The Commerce Department is in the process of determining the status of the remaining \$1.5 billion.

⁹ As of late August 2005, IRFFI has not yet posted additional projects on its website. Through the fall season however, projects in the pipeline will be approved and their tenders posted on the website.